Annual Report

Alberta Hospitals and Medical Care

1987-88

Alberta
HOSPITALS AND
MEDICAL CARE

89-05204/

February, 1989

The Honourable Dr. David J. Carter
Speaker of the Legislative Assembly of Alberta

Sir:

I have the honour to present the 10th Annual Report of the Department of Hospitals and Medical Care, covering the fiscal year ended March 31, 1988.

Respectfully submitted,

Nancy Betkowski
Minister of Health

February, 1989

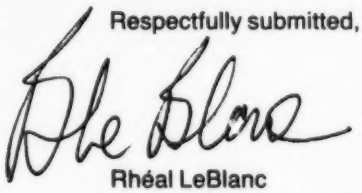
The Honourable Nancy Betkowski
Minister of Health
130 Legislature Building
Edmonton, Alberta
T5K 2B6

Madam Minister:

I have the honour to present the 10th Annual Report of the Department of Hospitals and Medical Care. This information covers the fiscal year ended March 31, 1988.

Further statistical information on the operations of the Department can be found in the Alberta Health Care Insurance Plan Statistical Supplement and the Hospital Services Division Supplement, which are published separately.

Respectfully submitted,



Rhéal LeBlanc
Deputy Minister of Health

Table of Contents

Summary of Major Activities 1
Financial and Statistical Highlights 3
Legislation 5
Organization Chart 9
Alberta Health Care Insurance Plan 11
- Description 11
- Benefits 11
- Basic Health Services 11
- Premium Assistance Program 12
- Extended Health Benefits 12
- Alberta Blue Cross Non-Group Membership 13
- Alberta Health Care Emergency Financial Assistance Program 13
- Financing the Plan 13
- Benefit Expenditure 14
- Summary of Activities 15

Alberta Hospitalization Benefits Plan 17
- Description 17
- Benefits 17
- Funding 18
- Summary of Activities 18
- Map of Active Treatment Facilities 21

Alberta Nursing Home Plan 23
- Description 23
- Benefits 23
- Summary of Activities 23

Financial Information 25

Summary of Major Activities

Deputy Minister Resigns

Dr. T.A. McPherson resigned his position as Deputy Minister of the Department of Hospitals and Medical Care in December, 1987 to accept an appointment as Deputy Commissioner and Executive Director of the Premier's Commission on the Future of Health Care for Albertans.

Committee on Long Term Care For Senior Citizens Appointed

In April, 1987 the Minister appointed a Committee on Long Term Care for Senior Citizens, chaired by Dianne Mirosh, MLA for Calgary-Glenmore.

The Committee was charged with the responsibility of looking at future directions for long-term care in the province.

The Committee's report "A New Vision for Long Term Care – Meeting the Need" was released in February, 1988 as a government discussion paper. Comments were invited from the public and submissions will be carefully considered by the government in determining future policy.

Committee recommendations include co-ordinating the various services, emphasizing health promotion, community services and volunteer services as integral parts of the long term care system. In addition, the Committee recommended a Long Term Care Act integrating nursing homes and auxiliary hospitals as a single institutional system.

Long Term Care Unit Formed

A Long Term Care Unit, Hospital Services Division, was formed as a first step towards establishing a Long Term Care Services Branch and to provide a focus for long term care activities within the Department.

The unit is responsible for developing, coordinating implementation, and monitoring program standards and services in the full spectrum of long term care institutions – nursing homes and auxiliary hospitals.

More specifically, the unit is responsible for:

a) developing care standards and associated funding guidelines for all long term care institutions;
b) serving as a departmental focal point for the development and implementation planning of all initiatives in the area of long term care;
c) serving as a prime contact for coordination with other government departments to ensure that a continuum of long term care services is developed in Alberta;
d) for establishing a direct relationship with all 'freestanding' nursing homes on all program operational matters, including the preparation of budgets; and
e) providing patient care consultant services to the Institutional Operations Branch teams with respect to all auxiliary hospitals and nursing homes in combined facilities.

Alberta Assessment and Placement Instrument Developed

The Alberta Assessment and Placement Instrument (AAPI) for long term care was developed jointly by the Department of Hospitals and Medical Care and the Department of Community and Occupational Health. It is a comprehensive instrument which assists in the assessment and placement of individuals at the level of care appropriate to their needs.

Patient Classification System Progresses

The Patient Classification System was developed to assist in measuring the care requirements of nursing home and auxiliary hospital residents. Classification information will be used as the basis for funding nursing care services in these facilities and to help facilitate the integration of patient types.

A Patient Classification form was developed and includes key predictors of care requirements. Information from the PCF can be used to more equitably distribute funds.

A pilot study was conducted in December, 1987 to classify a sample of 1,000 long term care patients in 12 facilities. Information collected is now being used to explore a number of approaches for developing a funding formula.

Alberta's Emergency Health Services Reviewed By Policy Advisory Committee

The Minister of Hospitals and Medical Care asked the Policy Advisory Committee, consisting of MLAs, health care professionals and interested citizens to provide input into emergency services policy.

The Committee's first task was to review the province's ambulance system and to make recommendations for change. This mandate was later extended to include emergency health services.

Public meetings were held throughout the province to obtain Albertans' views, concerns and

recommendations. In addition, detailed questionnaires were distributed to frequent users of ambulance services, such as municipalities, hospitals, lodges and nursing homes. Reviews of other provincial systems were also conducted. The Committee's final report and recommendations will be presented to the Minister in 1988.

New Utilization Committee Established

As a further step towards controlling the rising cost of health care and in keeping with the government's commitment to meet budgetary requirements, a new utilization committee, chaired by Dr. Mamoru Watanabe, was established October 1, 1987 to advise the Minister on the utilization of medical services in Alberta. The Committee was appointed for a two-year term.

Among the concerns to be examined by the Committee are the rapid growth in medical care utilization in areas such as consultations, minor surgical procedures and diagnostic services, the impact of walk-in and extended-hour clinics, and the need for educating both health professionals and the general public on the issues of health care utilization and costs.

Magnetic Resonance Imaging Made Available In The Province

One of the more advanced diagnostic tools, Magnetic Resonance Imaging (MRI), was made available in the province when the government reached an agreement to share the use of the MRI unit purchased by the Alberta Heritage Medical Research Foundation for the University of Alberta Department of Applied Sciences in Medicine.

The MRI unit uses strong magnetic fields and radio frequency, rather than radiation, to produce high contrast images in any plane of the body. No special preparation is required, no injection or contrast material is used and no adverse effects have been noted.

MRI units are located in only a few Canadian cities and prior to the agreement most Alberta patients had to be sent out of province.

Advanced, High-Cost Equipment Purchased With Lottery Funds

Lottery revenue totalling $8.8 million was allocated to purchase a Magnetic Resonance Imaging (MRI) Scanner for Foothills Provincial General Hospital, Calgary, two lithotripter machines for the Holy Cross Hospital, Calgary, and the Misericordia Hospital, Edmonton. An additional linear accelerator was also approved for the Cross Cancer Institute, Edmonton.

Growth Hormone Therapy Program Funded

Funding was provided to the Alberta Children's Hospital, Calgary, and the University of Alberta Hospital, Edmonton, to provide growth hormone treatment to children suffering from a severe growth hormone deficiency.

Since 1985, patients with this growth hormone deficiency had received a biosynthetic growth hormone free of charge as part of a national collaborative clinical research trial. At the end of the research trial period, the Alberta government took responsibility for the 50 – 60 children in Alberta who could benefit from the treatment.

Premier's Commission On Future Health Care For Albertans Established

Honourable Don Getty, Premier of Alberta, established a Premier's Commission on Future Health Care For Albertans. The Committee was appointed January 1, 1988 for a two-year term. In February, 1988, it was asked to review the concerns of nurses.

The Commission's mandate is to conduct an inquiry on future health requirements of Albertans and to make recommendations for change.

The Commission will:

a) examine changes in future health requirements as they relate to population trends, advances in active treatment and preventative health measures, health training and technology, types and patterns of illness, public needs and expectations, organization, funding structures, and such other factors that may be relevant;
b) examine the roles, responsibilities and expectations of individual Albertans, volunteers, community agencies, the medical and related health care professions, private sector interests, and governments in planning, delivering and funding future health services and programs; and
c) examine incentives and mechanisms to maintain the quality and accessibility of health services; encourage the most innovative, effective and economical use of health resources and focus on the promotion of health and the prevention of disease.

Financial and Statistical Highlights

FINANCIAL HIGHLIGHTS

During the 1987/88 fiscal year the Department's total expenditure on health care and hospitals was $2.792 billion as follows:

	1987/88
Departmental Support	
— Department	$ 17,684,502
— Health Care Insurance Fund	23,526,641
Financial Assistance for Active Treatment Care	1,383,486,648*
Financial Assistance for Long-Term Chronic Care	359,153,520**
Sub-total General Revenue Fund	$1,783,851,311
Health Care Insurance Fund — Gross Expenditure	854,716,935***
Capital Fund	
Construction of hospitals and nursing homes	149,436,013
Heritage Savings Trust Fund	
— Research and Capital Projects	3,722,645
TOTAL	$2,791,726,904

* Excludes capital debt repayment amount of $16,910,590

** Excludes capital debt repayment amount of $1,064,206.

*** Excludes the Provincial Contribution to the Health Care Insurance Fund.

The overall expenditure per capita for hospitals and medical care was $1,125.27 a 4.5 per cent decrease from the previous year's $1,178.45. Number of Alberta insured persons as at March 31, 1988, was 2,480,943.

The Government of Canada contributed $594,592,424 (including prior year adjustments) under the Canada Health Act towards Medicare and Hospital Insurance programs. Contributions are received by the Department and Alberta Treasury pursuant to provisions of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977 (Canada), as amended, and are subject to adjustment. These contributions are in addition to the federal tax-point transfers.

Approved capital funding for hospitals and nursing homes (including Alberta Heritage Savings Trust Fund projects) in the planning phase or under construction totalled an estimated value in excess of $2 billion. Of this multi-year program commitment, $828 million had been advanced by March 31, 1988 representing 41.4 per cent of the total.

Expenditures for basic health services under the Alberta Health Care Insurance Plan totalled $679.7 million, a 0.31 per cent increase from the $677.6 million in the previous year. Alberta Health Care's average expenditure for basic health services decreased 0.45 per cent to $273.96 per person.

Expenditures totalled $35.4 million for the Extended Health Benefits Program, under which a registrant or spouse aged 65 years or older and their dependants, and widows and widowers receiving the Alberta Widows' Pension and their dependants, are entitled to receive certain dental and optical benefits. This represented an increase of 5.67 per cent from $33.5 million of expenditures made under the program the previous year. The average cost per person was $143.04.

The Department was responsible for the expenditure of $6,105,923 for air medical evacuation provided for patients through the Emergency Air Ambulance Service. The average cost for the 3,737 patients was $1,633.66 per trip.

STATISTICAL HIGHLIGHTS

The number of persons covered under the Alberta Health Care Insurance Plan increased 0.77 per cent to 2,480,943 from 2,462,017 and the number of registrations increased 1.45 per cent to 1,139,065 from 1,122,744.

The number of registrations under Alberta Blue Cross Non-Group coverage decreased 1.88 per cent to 246,877 from 251,615 and the number of persons covered decreased 4.18 per cent to 438,976 from 458,119.

The number of registrations eligible for coverage according to residency and who were issued health care cards as of July 1, 1987 increased 5.92 per cent to 1,121,251 from 1,058,553. The number of registrations cancelled pending confirmation of residency increased 20.74 per cent to 23,620 from 19,563.

The number of physicians submitting claims to Alberta Health Care increased 4.16 per cent to 3,829 from 3,676.

The number of claims received by Alberta Health Care increased 1.54 per cent to 28,935,831 from 28,496,740.

There are currently 125 active treatment hospitals in the province, as in the previous year. The total bed complement increased to 13,125 from 13,018.

The total number of auxiliary hospitals throughout the province remained at 46. The total bed complement increased to 4,287 from 4,272. This does not include 879 auxiliary beds in the province's active treatment hospitals.

The total number of nursing homes is 91 compared to 88 for 1986/87. The total bed complement increased to 7,914 from 7,868.

Statutory Changes

Hospitals Act

Amendments:

Amends section 40 to provide a means for the Health Disciplines Board to obtain records of treatment for complaint proceedings under Part 4 of the Health Disciplines Act.

Alberta Hospital Association Act

Amendments:

Amends section 5 to enable the Alberta Hospital Association to operate a hospital insurance program.

Nursing Homes Act

Amends section 31 (o) to correct a reference which prescribes the basis for sharing of costs of specific programs for the provision of care to a resident.

Alberta Health Care Insurance Act

Amends section 31 (3)(a) to correct the reference to "Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977".

Regulatory Changes

Alberta Health Care Insurance Regulation (AR 216/81)

Amendments:

Amended to extend the time period for missionaries from the present 24 consecutive months to 48 during which they may be temporarily absent from Alberta and still retain their entitlement to benefits under the Alberta Health Care Insurance Plan. (AR 165/87)

Amended to allow the Minister to pay a benefit on behalf of certain senior citizens for driver's licence medical examinations. (AR 339/87)

Amended to enable the Minister to make payments from the Alberta Health Care Insurance Fund to Alberta physicians for services provided to residents of other provinces where an interprovincial agreement provides that the payments are recoverable from the province. (AR 483/87)

Alberta Hospitalization Benefits Regulations (AR 355/73)

Amendments:

Amended to reduce the exemption period in reference to the daily charge levied for standard ward accommodation in auxiliary hospitals from 120 days to 60 days. Effective April 1, 1987. (AR 82/87)

Amended to remove reference to admission charges as authorized admission charges were discontinued September 30, 1986. Implements policy changes regarding accommodation charges and implements a policy whereby long term care patients in acute care hospitals will be required to pay an accommodation charge. Patients residing in acute care hospital beds who have been assessed as appropriate for transfer to a nursing home or auxiliary hospital and are awaiting transfer will be required to pay an accommodation charge after 60 days occupancy for patients admitted after January 1, 1988. Permits active treatment hospitals to charge non-eligible patients an accommodation charge for the use of private and semi-private room accommodation unless the accommodation is required for medical reasons. Also allows hospitals to charge a semi-private rate for their semi-private rooms thereby creating a three-rate structure for accommodation charges. Also clarifies that for non-residents of Canada an additional 30 per cent surcharge should be added to both the preferred accommodation and the standard ward rate for the facility and the entire cost should be charged directly to the patient. Effective February 1, 1988. (AR 7/88)

Basic Health Services Benefits Payable To Dental Surgeons Regulation

This is a new regulation which deals with "non-surgical" benefits (temporo-mandibular joints) and makes it clear that these services are not "insured services" within the meaning of the Alberta Health Care Insurance Act and as such can be extra-billed. Effective August 1, 1987. (AR 325/87)

Amended to remove the reference to the international numbering system for the purpose of tooth identification as this does not relate to temporo-mandibular joint procedures. (AR 400/87)

Bylaws Of The College Of Physicians And Surgeons Of Alberta Regulation (Alta. Reg. 342/78)

Amendments:

Amended to state that the medical records prepared during the care of patients in a non-hospital treatment facility or a non-hospital medical diagnostic facility shall be the property of the *owner of the practice of medicine conducted in the facility* and not the property of the *owner of the facility.* (AR 256/87)

Bylaws of the College of Physicians and Surgeons of Alberta Regulation (Alta. Reg. 342/78) repealed and replaced by Alta. Reg. 23/88 – Filed February 1, 1988

Claims For Benefits Regulation (AR 204/81)

Amendments:

Amended to enable the Minister to pay an additional benefit in appropriate cases where a replacement/partial denture, reline, rebase or reset of a denture is required within the benefit period due to illness, surgery or accident to the patient which renders the existing denture unsuitable (improper fit). (AR 120/87) Re: Senior Citizens

Chiropractic Benefits Regulation (AR 23/83)

Amendments:

Amended to reflect a reduction of 12.5 per cent in chiropractic benefits and remove the family coverage limit and replace it with an individual limit of $200 per benefit year. Effective August 1, 1987. (AR 322/87)

Dental Benefits Regulation (AR 314/86)

Amendments:

Amended to delete section which presently deals with the treatment of temporo-mandibular joint dysfunction as these are "non-surgical" benefits and this regulation deals with "surgical benefits". Effective August 1, 1987 (AR 321/87)

Health Insurance Premiums Regulation (AR 217/81)

Amendments:

Amended to reflect an increase in premium rates for Alberta Health Care Insurance coverage and non-group Alberta Blue Cross coverage and change the subsidy categories (taxable income levels) and add an additional subsidy category for Alberta Health Care Insurance Premiums. Effective July 1, 1987. (AR 166/87)

Hospital Districts Regulations (AR 145/71)

Amendments:

Amended in order to authorize a municipality to terminate the term of office of an appointed member and provide for the filling of the vacancy by a by-election in accordance with the Local Authorities Election Act. Also corrects certain inaccurate statutory references. (AR 269/87)

Medical Benefits Regulation (AR 106/86)

Amendments:

Amended to remove certain benefits from the fee/benefit schedule in reference to selected physician services including routine eye examinations, which are not medically required; the majority of these services relate to contraception and sterilization when not medically required. Effective August 1, 1987. (AR 324/87)

Amended to correct minor typographical errors and omissions in Schedule of Benefits which were previously overlooked and to implement recent change in policy concerning payment of senior citizen's medical examinations as they relate to obtaining and renewing an operators' licence (patient age amended to 74 years of age or older). (AR 392/87)

Medical Committee Regulation (AR 370/85)

Amendments:

Amended to designate the Advisory Committee For Impaired Physicians of the Medical Staff of the Foothills Provincial General Hospital, Calgary, Alberta, as an approved medical committee as per section 9 of the Alberta Evidence Act. (AR 466/87)

Amended to designate the Perinatal Morbidity Review Committee of the Northern and Central Alberta Perinatal Program Advisory Committee as an approved medical committee as per section 9 of the Alberta Evidence Act. (AR 3/88)

Mental Health Regulations (AR 119/73)

Amendments:

Amended to designate the Holy Cross, Calgary General and Foothills Provincial General Hospitals as "Facilities" and to remove the designation from the Taber, Lac La Biche and Pincher Creek Hospitals. Also designates the Alberta Hospital, Edmonton, for Criminal Code Remands and Lieutenant Governor Warrants. Regulation comes into force April 1, 1987. (AR 68/87)

Amended to reduce the exemption period in reference to the daily charge levied for standard ward accommodation in mental health facilities from 120 days to 60 days. (AR 268/87)

Nursing Homes Operation Regulation (AR 258/85)

Amendments:

Amended to provide an increase of $1.50 in the per diem rate for the operators of nursing homes in the 46 to 50 bed category. (AR 76/87)

Amended to provide an increase in the regular per diem payments by an average of $1.32 (average increase of 3.6 per cent per resident day) to operators of nursing homes. (AR 470/87)

Amended to allow nursing homes with only one-bed and two-bed rooms to charge the semi-private rate for all their two-bed rooms. Previously these homes were required to charge the standard rate for their facilities. This change applies only to individuals admitted to facilities on or after the effective date of February 1, 1987. (AR 533/87)

Optometric Benefits Regulation (AR 27/83)

Amendments:

Amended to reflect that eye examinations for glasses will continue to be included as an insured service for children 18 years and younger and for senior citizens and widows/widowers receiving the Alberta Widows' Pension and their dependants. For all other patients, eye examinations for the purpose of prescribing eye glasses or contact lenses or to determine if a change to prescription is required will no longer be covered by the Alberta Health Care Insurance Plan. (AR 320/87)

Payment For Out-Of-Province Medical Claims Regulation (AR 282/85)

Amendments:

Amended to enable the Minister to make payments on behalf of Alberta residents where services are received in other provinces at rates which may in some instances exceed the rates that would be payable for the same service in Alberta. (AR 478/87)

Physical Therapy Benefits Regulation (AR 303/85)

Amendments:

Amended to reflect a reduction of 12.5 per cent in physical therapy benefits and remove the family coverage limit and replace it with an individual limit of $200 per benefit year. Effective August 1, 1987. (AR 323/87)

Podiatric Benefits Regulation (AR 29/83)

Amendments:

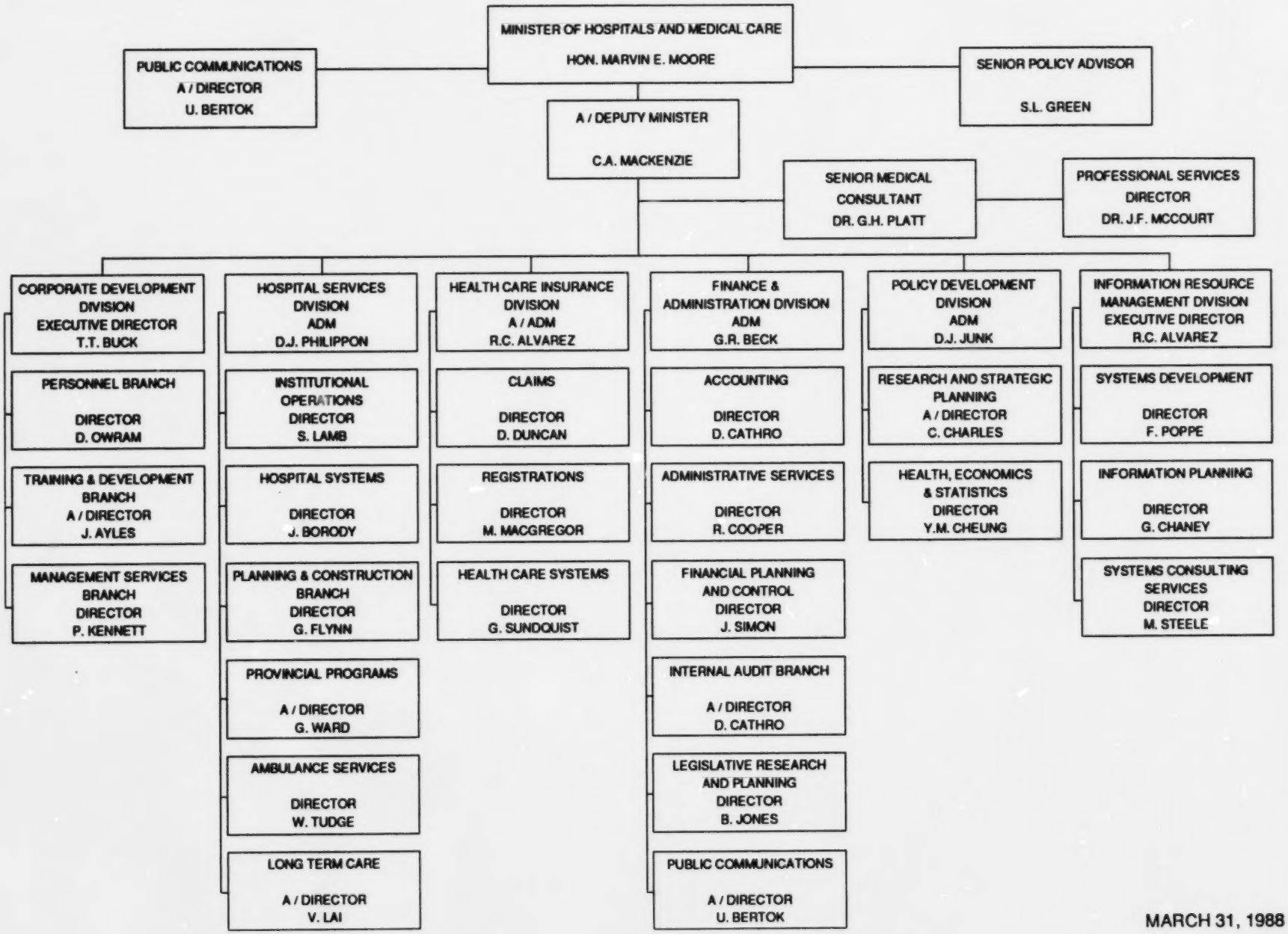
Amended to reflect a reduction of 12.5 per cent in podiatric benefits and remove the family coverage limit and replace it with an individual limit of $200 per benefit year. Effective August 1, 1987. (AR 322/87)

Registration Regulation (AR 453/83)

Amendments:

Amended to allow a broader interpretation of the registration requirements for registered nurses; increases uniformity of nursing practice across Alberta, formalizes existing registration practices to restate that graduate nurses who have not met registration criteria in other jurisdictions may not practice in Alberta; renewal of special permits (interim registration for employed out-of-province nurses). (AR 461/87)

ORGANIZATION CHART



MARCH 31, 1988

DESCRIPTION

The Alberta Health Care Insurance Plan operates under the authority of the Alberta Health Care Insurance Act and the Health Insurance Premiums Act. It is a provincial government insurance plan which covers the costs of medical services and a number of related health care services for registered Alberta residents and their dependants.

Most employers arrange to register their employees and the employees' dependants through a group plan. All others, including people who are self-employed register by applying directly to Alberta Health Care.

BENEFITS

Benefits are paid on a fee-for-service basis according to an approved schedule of benefits. Payments are made to registered residents of Alberta or, on their behalf, directly to practitioners. As of March 31, 1988 all Albertans registered with Alberta Health Care are entitled to the following:

Basic Health Services:

- —approved services of physicians;
- —specified oral surgical procedures carried out by dental surgeons;
- —optometric services for children 18 years of age and younger, senior citizens and their dependants, and widows/widowers receiving the Alberta Widows' Pension and their dependants. Restricted to one eye examination, including refraction and the writing of a prescription for the fitting of glasses, in each benefit period* and limited to a maximum of $31.75. Alberta Health Care does not pay for the fitting or cost of glasses;
- —chiropractic services to a maximum of $10.50 for each visit with a limit during each benefit period* of $200.00 per person. This coverage includes $17.40 for X-rays for each particular disability;
- —approved podiatric services and appliances. There is a limit during each benefit period* of $200.00 per person;
- —physical therapy services to a daily maximum of $17.15 per person, with a limit during each benefit period* of $200.00 per person. These limits are waived for cases which are considered a continuation of in-patient hospital care under the joint referral of the attending physician and hospital physical therapy department, and for persons eligible for Extended Health Benefits.

* A benefit period consists of 12 months, beginning the first of July and running until the end of the following June.

The benefits and limits for optometric, chiropractic, podiatric and physical therapy services became effective August 1, 1987.

Albertans registered with the Alberta Health Care Insurance Plan are also entitled to insured hospital services provided under the Alberta Hospitalization Benefits Plan which is covered separately in this Annual Report.

The monthly premium rates for the Alberta Health Care Insurance Plan as of March 31, 1988 are:

Regular Premium Rates	
Single	$18.00
Family	$36.00
Registrant or Spouse aged 65 and older	
Single or Family	NIL
Widows and Widowers receiving Alberta Widows' Pension	
Single or Family	NIL

During the year, the number of persons covered by Alberta Health Care increased 0.77 per cent to 2,480,943 from 2,462,017 and the number of registrations increased 1.45 per cent to 1,139,065 from 1,122,744.

The number of group plans decreased 0.63 per cent to 12,687 from 12,768 and the number of persons under group coverage increased 1.24 per cent to 1,663,039 from 1,642,692. Included in the group figures are registrants 65 years of age and older and their spouses and dependants, widows and widowers receiving the Alberta Widows' Pension and their dependants, and registrants in receipt of an allowance under the Social Development Act.

Registrants who chose to opt out of Alberta Health Care as of March 31, 1988 increased by 5.13 per cent to 82 from 78 at March 31, 1987. This involved 248 people who were responsible for paying their own health services.

The following are other programs which fall under Alberta Health Care:

PREMIUM ASSISTANCE PROGRAM

Subsidized Premiums

Reduced premiums, based on a person's previous year's taxable income*, are available if the person qualifies and applies. The subsidy granted by the Alberta Health Care Insurance Plan applies to one benefit period only and ends each June 30. A new application must be made for each benefit period.

* Taxable income is total income less allowable deductions for income tax purposes.

The monthly rates for the premium subsidy program are:

Single:	Taxable income not more than $3,500	NIL
	Taxable income above $3,500 but not more than $4,500	$ 6.00
	Taxable income above $4,500 but not more than $5,500	$12.00
Family:	Combined taxable income* not more than $6,000	NIL
	Combined taxable income* above $6,000 but not more than $8,000	$12.00
	Combined taxable income* above $8,000 but not more than $10,000	$24.00

* For family registration, taxable incomes of husband and wife are combined.

The number of registrants receiving coverage at reduced premium rates was as follows:

	Registrations March 31, 1988
Full Reduction (based on taxable income)	119,391
Subsidized One-third reduced (based on taxable income)	9,959
Two-thirds reduced (based on taxable income)	12,519
Total Subsidized Registrants	**141,869**

Waiver of Premiums

People who do not qualify for the Premium Subsidy Program and who are unable to pay their premiums due to current financial difficulties, may apply to Alberta Health Care to have their premiums temporarily waived. Eligibility is based on the average monthly income over the three-month period just prior to the date the application is signed. Waiver of premiums does not apply to Alberta Blue Cross Non-Group membership.

The qualifying levels are as follows:

Number of persons covered	Average Monthly Limits
1	$ 700.00
2	$1,200.00
3	$1,250.00

For each additional dependant, $50.00 is added.

The number of registrants in the social allowance recipient group who received premium-free coverage decreased 0.61 per cent to 66,355 from 66,759 and the number of persons covered decreased 1.40 per cent to 135,787 from 137,715.

The number of registrants who did not qualify for the 100 per cent subsidy or social allowance, yet were granted waiver of premium due to current financial difficulties, decreased 10.65 per cent to 8,434 from 9,439.

EXTENDED HEALTH BENEFITS

This program is provided free of charge to registrants aged 65 and older and their spouses and dependants, and for widows and widowers receiving the Alberta Widows' Pension and their dependants. The following benefits are paid in accordance with an approved schedule of rates:

—Dental goods and services including restorative, surgical and prosthetic dental care and repairs to dentures. Not more than $1,200 is payable on behalf of one person for any two consecutive calendar years. A complete or partial dental plate or a reset for a given arch is payable only once in every five years and a reline or rebase once in every two years;

—Optical goods and services prescribed following an eye examination or required to maintain the prescription. A benefit for new eyeglasses is not payable more than once in every three years unless the eyeglasses have been accidentally damaged beyond repair or a change of prescription is necessary following eye surgery affecting vision.

The Department of Community and Occupational Health was responsible for providing benefits for hearing aids and surgical and medical supplies and appliances.

The number of registrants in the 65 years of age and older group who were exempted from premium

payments increased 3.54 per cent to 166,291 from 160,612 and the number of persons covered increased 3.29 per cent to 243,801 from 236,040.

The number of registrants with Alberta Widows' Pension coverage increased 1.79 per cent to 3,590 from 3,527 and the number of persons covered increased 0.40 per cent to 4,026 from 4,010.

ALBERTA BLUE CROSS NON-GROUP MEMBERSHIP

Additional health insurance is available through the Alberta Health Care Insurance Plan on an individual (non-group) basis at special rates to residents who are unable to obtain Alberta Blue Cross coverage through an employer. Included under this coverage are hospital differential charges for semi-private and private room care, ambulance services, prescribed drugs, appliances, clinical psychological services, home nursing and dental care required because of an accident.

Also, Alberta Health Care provides Alberta Blue Cross coverage at no charge to registrants aged 65 and older and their dependants, and to eligible widows and widowers age 55 to 64 and their dependants. This coverage is the same as for the non-group, with the exclusion of the hospital differential charges.

The monthly premium rates for Alberta Blue Cross Non-Group membership as at March 31, 1988, are:

Regular Premium Rates	
Single	$ 8.60
Family	$17.20
Registrant or Spouse aged 65 or older	
Single or Family	NIL
Widows and Widowers receiving Alberta Widows' Pension	
Single or Family	NIL
Subsidized Premium Rates	
Single	
Taxable income not more than $5,500	$ 6.10
Family*	
Combined taxable income not more than $10,000	$12.20

* For family registration, taxable income of husband and wife are combined.

The number of registrations under Alberta Blue Cross Non-Group coverage decreased 1.88 per cent to 246,877 from 251,615 and the number of persons covered decreased 4.18 per cent to 438,976 from 458,119.

ALBERTA HEALTH CARE EMERGENCY FINANCIAL ASSISTANCE PROGRAM

Under this program, a registrant can apply for special consideration to help in paying for insured health or hospital services received outside Alberta when costs exceed the benefits payable under the Alberta Health Care Insurance Plan. It applies:

- —if the required services are not available in Alberta and the registrant has been referred by an Alberta physician, or
- —if while temporarily absent from Alberta the registrant requires the services because of an emergency which could not have been reasonably foreseen or guarded against, or elective surgery, which according to the attending physician requires urgent treatment.

During the fiscal year 1987/88 the number of applicants for Emergency Financial Assistance increased by 5.56 per cent. The costs of the medical services increased by 23.09 per cent to $727,981 while hospital costs increased by 12.62 per cent to $2,114,084.

This program applies only if the excess costs place an undue burden on the registrant's financial resources.

FINANCING THE PLAN

The Alberta Health Care Insurance Plan is financed by premiums, Government of Canada cash contributions and by a Government of Alberta grant to cover the remainder.

Premiums and interest financed 29.4 per cent of the cost of Alberta Health Care, compared to 25.5 per cent last year. Government of Canada cash contributions accounted for an additional 17.8 per cent of the cost as compared with 13.8 per cent for the previous year. The remaining 52.8 per cent was funded by a grant from the Government of Alberta. Last year this grant covered 60.7 per cent.

Prior to May, 1984, the federal government's cash contribution to Alberta respecting medical care was paid directly to the Health Care Insurance Fund by the federal government. Since May 1984, however, the cash contributions for hospital insurance and medical care have been combined and paid directly to the provincial General Revenue Fund by the federal government. Amounts deemed by the Provincial

Treasurer as relating to the medical care portion of the cash contribution has been transferred to the Health Care Insurance Fund.

BENEFIT EXPENDITURE*

Total expenditures for Basic Health Services (provided in and outside of Alberta) increased by 0.31 per cent to $679.7 million from $677.6 million in 1986/87. Included were fee-for-service payments, as well as payments in respect of medical practitioners on salary, sessional and contract arrangements ($3,110,684).

Fee-for-service expenditures for Basic Health Services and their percentage changes over the previous year were:

	(Thousands of dollars)			
Medical	$616,061	a	2.49% increase of	$14,987
Oral Surgery	$ 13,131	a	26.46% decrease of	$ 4,724
Chiropractic	$ 20,769	an	11.97% decrease of	$ 2,823
Optometry	$ 7,027	a	30.80% decrease of	$ 3,127
Podiatry	$ 2,973	a	4.89% decrease of	$ 153
Physical Therapy	$ 16,618	a	9.37% decrease of	$ 1,719
TOTAL	**$676,579**	**a**	**0.36% increase of**	**$ 2,441**

* The data presented in this section refer to expenditures on a date-of-service basis for each reporting year, as presented in the Financial Statements of the Health Care Insurance Fund.

Alberta Health Care's average cost of benefits for Basic Health Services decreased 0.45 per cent to $273.96 per person.

Payments for Workers' Compensation Board services have been excluded from the data relating to expenditures for Basic Health Services.

Fee-for-service expenditures for Extended Health Benefits and their percentage increases over the previous year were:

	(Thousands of dollars)		
Dentists	$22,361	a 7.86% increase of	$1,630
Denturists	$ 7,742	a 2.92% increase of	$ 220
Optometrists	$ 2,506	a 1.73% decrease of	$ 44
Ophthalmic Dispensers	$ 2,840	a 3.80% increase of	$ 104
TOTAL	**$35,449**	**a 5.69% increase of**	**$1,910**

Out-of-province hospital costs refer to expenditures made by the Alberta Health Care Insurance Plan to other provinces in Canada and other countries on behalf of the Alberta residents who receive hospital services (in-patient and out-patient) outside Alberta. Expenditures increased by 36.44 per cent to $26,105,000 in 1987/88 from $19,133,000 in 1986/87.

Expenditures for Alberta Blue Cross Non-Group Membership rose to $109,081,000 from $101,009,000, an increase of 7.99 per cent.

Sessional Payment Programs

Sessional payment arrangements, negotiated between the Department and individual hospitals, are an alternative form of physician remuneration on a program basis. Such an arrangement may be agreed to between a hospital and the Department in order to establish and maintain a specific program, e.g. psychiatric services, the Diagnostic Assessment and Treatment Centre of the Alberta Children's Hospital and geriatric services in the Youville Wing of the Edmonton General Hospital. Funding is also provided to two community health centres, one located in Calgary and the other in Edmonton.

During the reporting year, existing programs were reviewed and updated as necessary. The total amount of funding provided to the programs through the Alberta Health Care Insurance Plan was $3,110,684.

In addition, the Department also monitors and makes the payments on behalf of the mental health sessional payment program of the Department of Community and Occupational Health. These payments are later recovered from that department.

Incentive Payments Program

The purpose of this program is to encourage physicians to practice in rural communities by providing incentive payments. The program is designed to improve medical service accessibility throughout the province.

Expenditures for location incentives for 1987/88 are estimated at $1,413,000.

Continuing Medical Education

By agreement with the Department, the Alberta Medical Association administers a Continuing Medical Education Program which is funded by the Department. This provides an allowance for fee-for-service Alberta physicians who wish to continue their post-graduate medical education. Department funding for fiscal year 1987/88 totalled $1,726,000.

Alberta Physicians Disability Insurance Program

This program, administered by the Alberta Medical Association, provides disability insurance for eligible

Alberta physicians. A special data base has been set up which allows the Alberta Health Care Insurance Plan, upon receipt of a release form, to provide the Alberta Medical Association with the eligibility status of a physician who bills the Plan on a fee-for-service basis. For fiscal year 1987/88 the Department's contribution to the disability insurance fund was $1,253,000.

SUMMARY OF ACTIVITIES

Alberta Health Care Benefits Reduced

As a means of curbing rising health care costs, a number of Alberta Health Care benefits were reduced, effective August 1, 1987. Included in the changes were benefits for services provided by chiropractors, podiatrists, optometrists, physical therapists and dentists. In addition, selective medical services including routine eye examinations and others related primarily to contraceptive and sterilization services considered optional (as opposed to medically required) were de-insured.

Alberta Physicians Liability Protection Coverage Reimbursed

Under an agreement reached between the Government of Alberta and the Alberta Medical Association, the Department began reimbursing Alberta physicians for liability protection dues. Physicians practicing in Edmonton and Calgary received 50 per cent of their annual liability insurance fees above $950 (the base level for general practitioners), while physicians practicing elsewhere in the province were refunded 100 per cent of their premium fees above $950.

Agreement Reached In Reciprocal Processing of Medical Claims

Alberta continued to play a leading role in implementing the interprovincial billing process for medical claims scheduled to come into effect across Canada April 1, 1988 (with the exception of Quebec). The medical reciprocal program complements the two previous reciprocal agreements that apply to inpatient and outpatient claims for hospital services.

The Alberta and British Columbia health care plans cooperated in conducting a medical reciprocal processing pilot project. The pilot project, which started on January 1, 1988, marked the first phase of the new concept.

Reciprocal Hospital Agreement Expanded

Agreement was reached among the provinces during the reporting year to extend the interprovincial reciprocal hospital agreement to include a number of high-cost procedures, such as organ transplants, lithotripsy and magnetic resonance imaging.

Alberta Health Care Premium Rates and Subsidy Program Adjusted

Effective July 1, 1987, Alberta Health Care premiums were increased to $18.00 monthly for single coverage and $36.00 monthly for family coverage (from $14.00 and $28.00 respectively). Monthly premiums for Alberta Blue Cross Non-Group Membership were increased to $8.60 for single coverage and $17.20 for family coverage (from $6.60 and $13.20 respectively). This was the first premium increase in Alberta Health Care and Alberta Blue Cross rates since July 1, 1983.

Concurrent with its premium rate increases, the Alberta Health Care Insurance Plan expanded its premium assistance program with the addition of a third tier of subsidy, and adjusted accordingly the taxable income levels and subsidized rates.

The new subsidies are:

Taxable Income		Monthly Rate
Single	$ 0 - $ 3,500	NIL
	$3,501 - $ 4,500	$ 6.00
	$4,501 - $ 5,500	$12.00
Family	$ 0 - $ 6,000	NIL
	$6,001 - $ 8,000	$12.00
	$8,001 - $10,000	$24.00

The subsidized rate for single and family Alberta Blue Cross coverage was also adjusted:

Single	$0 - $ 5,500	$ 6.10
Family	$0 - $10,000	$12.20

REAP's On-line Enquiry Phase Introduced

Planning proceeded throughout the year on all phases of Alberta Health Care's major Registration, Eligibility and Premium (REAP) project to improve and streamline the computer systems for its registration and billing operations.

In September, 1987 the project successfully implemented its first production phase with the introduction of an on-line enquiry system to provide staff with direct access to Alberta Health Care Insurance Plan registration records. With over 200 on-

line terminals in use, the Department has substantially increased its service level to the public and to employer group plans. This facility also serves as a vital training tool in preparation for the full implementation of the new advanced computer systems in the fall of 1988.

Planning Underway On Three Claims Redevelopment Initiatives

Work continued on the Claims Redevelopment Project, which is responsible for introducing business initiatives and up-to-date technologies to the claims system of the Alberta Health Care Insurance Plan.

Following the direction provided in the business strategy, and as the first step in the redevelopment of claims, planning began on a redesign of the registry for practitioners and their records. Additionally, a conceptual design was produced to enhance the clarity and understanding of the nine schedules of benefits (on which the various practitioners base their claims), and to improve the administration of the schedules when submitting claims.

The Department also worked with the Alberta Medical Association and Alberta Association of Chartered Physiotherapists in Independent Practice to develop requirements for a pilot testing of the electronic submission of claims.

New Micrographics System Planning Completed on Information Retrieval System

The division embarked on a major project to upgrade storage of registrations, billing and claims records. The purpose is to develop an overall system that is more efficient in coping with the vast and complex assignment, and which is more responsive to operational and customer service needs.

All preliminary planning has been completed, including the selection of a vendor to work with the Department in installing new equipment and automated facilities that will feature some of the latest innovations in micrographics technology. The new system is scheduled to come on stream during the summer of 1988.

Practitioner Information Retrieval System

The Practitioner Information Retrieval System has been completed, and now being increasingly used by Professional Services staff in order to retrieve data necessary to monitor practices of practitioners.

Profile Review Project

The existing profiles on physicians which act as a possible alerting mechanism to unusual patterns of practice are in the process of being reviewed. The present profiles do not adequately represent the changes which have occurred in the Schedule of Medical Benefits over the past ten years. The revision of the format now underway will update the profiles and ensure that they become a more accurate screening mechanism.

Calgary Office Telephone Service Upgraded

A computerized telephone system for handling public telephone enquiries was installed at Alberta Health Care's Calgary office. The system increases the number of lines coming in, and directs the incoming calls evenly among the lines while allowing overflow calls to be held in sequence until answered. An ongoing monitoring feature helps to make needed staffing adjustments in relation to the volume of enquiries.

Alberta Hospitalization Benefits Plan

DESCRIPTION

The Alberta Hospitalization Benefits Plan operates under the authority of the Hospitals Act. This Plan provides for in-patient hospitalization services at standard ward level, and out-patient services in approved facilities to residents of Alberta who are registered under the Alberta Health Care Insurance Plan. Three types of hospitals fall under the Alberta Hospitalization Benefits Plan:

General or Active Treatment Hospitals provide basic hospital services throughout the province. Specialist services are provided in larger, regional hospitals. Admission to a general hospital is by order of a physician.

At March 31, 1988, there were 125 general hospitals operating in Alberta, including 123 public general hospitals which were approved by the Minister of Hospitals and Medical Care, and two federal general hospitals. Thirty of these general hospitals operated long term care beds.

The total capacity of all public and federal general hospitals was 13,125 adult and children beds (including 879 long-term care beds) providing a ratio of 5.5 beds per 1,000 population.

Auxiliary Hospitals provide care and treatment for patients with long-term or chronic illnesses, who require a less intensive level of care than is provided in general hospitals. For some patients, treatment results in rehabilitation to a point where they are able to return to the community or transfer to a nursing home or other residential facility. For others, nursing and medical care is provided for an extended period.

There were 46 auxiliary hospitals operating in the province at March 31, 1988, with total capacity of 4,287 beds. These beds, together with 879 beds in long-term care units in general hospitals, provided a ratio of 2.2 long-term care beds per 1,000 total population and 25.0 beds per 1,000 population 65 years of age and older.

Mental Health Hospitals provide psychiatric services to patients who are admitted by a physician. Acute care and long-term care are provided for adults. Special units are also available for psychogeriatric patients.

Two mental health hospitals, providing acute and long-term psychiatric care, had a total capacity of 1,072 beds at March 31, 1988, averaging 0.4 beds per 1,000 population.

BENEFITS

Alberta Hospitalization Benefits provide coverage for the following in-patient and out-patient services in the province's approved general, mental health and auxiliary hospitals.

In-Patient Services:

- —accommodation and meals at the standard or public ward level;
- —necessary nursing care;
- —diagnostic and treatment services;
- —drugs, medical preparations and routine surgical supplies provided and administered in a hospital;
- —transportation within the province between hospitals, and from a hospital to a nursing home when ordered by a physician, and
- —special services as ordered by a physician.

Out-Patient Services:

- —emergency treatment and, where available, day surgery;
- —diagnostic laboratory and radiological procedures;
- —specialized clinics, such as orthopedic and diabetic clinics;
- —physical therapy, occupational, speech, respiratory and psychiatric therapies.

Services not covered:

- —private or semi-private rooms when provided at the request of the patient;
- —transporting out-patients between hospitals;
- —artificial limbs and other external prosthetic appliances;
- —examinations for use by third parties;
- —drugs and medical preparations not considered necessary for treatment;
- —oxygen for use by patients of auxiliary hospitals after discharge or when away from hospitals for weekends;
- —drugs and other goods provided for use after a patient is discharged from a hospital, and
- —laboratory and x-ray services provided by another facility not approved by the Minister.

Outside Canada, in-patient hospitalization benefits were provided in accordance with a schedule of rates based on the approved rate for standard ward care in

Alberta at the same size and type of hospital. Out-patient hospitalization benefits were provided on the basis of the inter-provincial rates for the same services. Under special circumstances, residents were eligible to apply for help in paying excessive hospital costs incurred out-of-country through the Emergency Financial Assistance Program.

The Graduate Medical Education Program

Under this program the Department funds the salaries paid to interns and residents during tneir training at major Alberta teaching hospitals. As well, the Department provides stipends to medical undergraduates, who as clinical clerks, spend their final year before graduation working in a hospital environment. The Department also shares in the funding of geographic appointees. These are physicians who are members of the medical faculties of either the University of Calgary or the University of Alberta and who, while providing valuable services to patients in teaching hospitals, serve as clinical instructors in medical education.

During 1987/88, the number of departmentally funded positions for interns and residents remained at 663. Funding of the program was reviewed in cooperation with both medical faculties and all major teaching hospitals in the province, and department payments were adjusted in accordance with contractual agreements.

Emergency Air Ambulance Program

When ordered by a physician, the department will pay emergency air ambulance costs to transport residents within Alberta and outside the province to receive the required level of service.

The Department was responsible for the expenditure of $6,105,923 for air medical evacuation provided for patients through this program. The average cost for 3,737 patients was $1,633.66 per trip.

FUNDING

The Department provides funding for the operation of hospital facilities on a global basis. Capital funding is also provided for approved projects. The majority of contact with the facilities is through the Hospital Services Division with support from the Finance and Administration and the Policy Development Divisions (see organization chart).

Over the last eight years, the Department has undertaken a major hospital construction program throughout the province. During 1987/88 the total of forty-three facilities were in the planning or design stage, eight were under construction, six more began construction and eight facilities were completed.

SUMMARY OF ACTIVITIES

Hospital Services Division Reorganized

Several changes were made in the organization of the Hospital Services Division. These included the formation of a Long Term Care Unit and an Ambulance Services Branch.

Accommodation Charges Levied For Long Term Care Patients

As of February 1, 1988 long term care patients in acute care hospitals will pay an accommodation charge on the 61st day after they have been assessed as requiring long term care. Previously, there was no charge to these patients.

Accommodation charges in auxiliary hospitals changed from a two-rate structure to a three-rate structure bringing auxiliary hospitals in line with nursing homes. Daily rates from the 61st day after admission are: private room $20.25, semi-private $16.50 and standard ward $14.00.

Victorian Order of Nurses Adult Day Care Health Program

Financial support was provided to the Victorian Order of Nurses and the Boards of the Allen Gray Auxiliary Hospital and the Good Samaritan Society to establish day programs on a pilot project basis.

Associate Cancer Clinic Established

An associate cancer clinic located in the Queen Elizabeth II Hospital, Grande Prairie, commenced operation November, 1987. The program was established to provide cancer-related services to residents of Grande Prairie and northwestern Alberta. Services for patients, referred from the W.W. Cross Cancer Institute, Edmonton, are provided under the medical supervision of a specialist in internal medicine.

Regional Ultrasound Program Implemented

A diagnostic outreach ultrasound program was implemented to serve the communities of High Prairie, Slave Lake, McLennan and Valleyview. The program provides ultrasonography and radiologist services.

Blood Services Program

The Blood Services Program expended $12.9 million in 1987/88 for blood and blood products supplied by the Canadian Red Cross to hospitals in Alberta.

Air Ambulance Payments

In order to accommodate the increased workload, a new process was introduced which expedites payment for firms which have provided air ambulance service. Also, specifications have been developed for hospitals who wish to enter into contract with an air carrier for the provision of air ambulance. Issues such as helicopter ambulance utilization and the effect of Federal Government deregulations of airlines on program costs were examined.

Hospital Information System Target Date Set

A target date of April 1, 1990 has been set for the implementation of the Canadian Hospital Association's Management Information System Guidelines in all acute care hospitals.

A pilot project was initiated and completed with five rural hospitals to develop a Standard Chart of Accounts and to implement the Guidelines.

The results will assist approximately 30 more hospitals in implementing the Guidelines in fiscal year 1988/89.

Psychiatric Rehabilitation Unit Approved

Approval was given for the development of a unique 75-bed active psychiatric rehabilitation unit for adults which will serve the Calgary and southern Alberta regions.

The unit will be located at the Calgary General Hospital which already provides large and diversified psychiatric and rehabilitation programs.

Alberta
HOSPITALS AND
MEDICAL CARE
MARCH 1988
GENERAL HOSPITAL DISTRICT
GENERAL HOSPITAL
AMBULATORY CARE FACILITY (AC)
FEDERAL NURSING STATION (FN)
Multiple facilities are indicated (2)
Chateh (FN)
High Level
Fox Lake (FN)
Fort Vermilion
Fort Chipewyan (FN)
Manning
Fort McMurray
Peace River
Grimshaw
Fairview
Spirit River
McLennan
Desmarais (AC)
Hythe
Grande Prairie
Beaverlodge
High Prairie
Valleyview
Slave Lake
Lac La Biche
Athabasca
Boyle
Cold Lake
Swan Hills
Fox Creek
Whitecourt
Barrhead
Westlock
Smoky Lake
Vilna
Glendon
Bonnyville
Grande Cache
Meyarthorpe
Redwater
Willingdon
St. Paul
Elk Point
Fort Saskatchewan
Lamont
Two Hills
Edson
Hinton
Stony Plain
St. Albert
Edmonton (7)
Sherwood
Vegreville
Vermilion
Islay
Devon
Tofield
Manville
Lloydminster
Drayton Valley
Leduc
Viking
Jasper
Breton
Wetaskiwin
Camrose
Daysland
Wainwright
Rimbey
Ponoka
Bashaw
Hardisty
Provost
Rocky Mountain House
Bentley
Lacombe
Gadsby
Eckville
Red Deer
Stettler
Castor
Innisfail
Elnora
Coronation
Consort
Sundre
Olds
Trochu
Didsbury
Three Hills
Hanna
Drumheller
Carsel
Oyen
Banff
Canmore
Calgary (7)
Strathmore
Empress
Bassano
Black Diamond
High River
Brooks
Vulcan
Claresholm
Medicine Hat
Picture Butte
Coaldale
Taber
Bow Island
Fort Macleod
Lethbridge (2)
Municipality of Crowsnest Pass
Raymond
Pincher Creek
Magrath
Milk River
Cardston (2)
International Boundary

The Alberta Nursing Home Plan

DESCRIPTION

The Alberta Nursing Home Plan operates under the authority of The Nursing Homes Act. The Act provides for the establishment and incorporation of nursing home districts and gives the Minister of Hospitals and Medical Care the authority to enter into contracts with district boards or proprietary agencies to provide nursing home care under the provisions of the Act.

BENEFITS

Nursing homes provide supervised, personal care for people who are not ill enough to require hospitalization in a general or auxiliary hospital but who require assistance in coping with daily living. There are three kinds of nursing home ownerships in Alberta – private, voluntary and district. Under the Alberta Nursing Home Plan, eligible residents receive per diem benefits in those homes which are under contract with the Minister of Hospitals and Medical Care to provide care under the terms and provisions of the Nursing Homes Act. Each resident is also required to pay a daily rate set out in the regulations governing contract nursing homes. The daily rates that nursing home operators can charge directly to eligible patients stood at $14.00 for standard, $16.50 for semi-private and $20.25 for private accommodation.

At the end of the reporting year there was a total capacity of 7,914 beds in 91 nursing homes, averaging 38.3 beds per 1,000 population 65 years of age and older.

SUMMARY OF ACTIVITIES

Nursing Home Accommodation Charges

The Nursing Home Operation Regulation was revised this year to permit nursing homes with only one-bed and two-bed rooms to charge the semi-private rate for all the two-bed rooms for persons admitted after January 31, 1988. Previously, all nursing homes having only one-bed and two-bed rooms were required to charge only the standard rate for all the two-bed rooms.

Special Funding For Nursing Homes With Heavy Care Patients

Interim adjustments to the per diem rates for certain nursing homes was announced at the Alberta Hospital Association annual meeting, November 24, 1987.

Under this initiative, nursing homes are expected to cover the costs of up to 20 per cent of their residents at heavy care levels within existing funds. The interim funding provides up to $19.00 per day for each heavy care resident in excess of the 20 per cent. This measure reduces the immediate pressure to transfer residents to auxiliary hospitals when their care requirements are beyond normal levels of care provided in nursing homes.

This initiative will continue until such time as a funding formula linked to patient classification can be implemented.

In-service Resource Centre

The Department funded the Long Term Care In-service Resource Centres in Edmonton and Calgary to provide information and resources which reinforce and support the in-service efforts of the staff development coordinator in nursing homes.

Financial Assistance for Private and Voluntary Nursing Homes

A new incentive program to assist older private and voluntary nursing homes in upgrading their facilities was introduced. The program is based on provincial cost sharing of construction costs and design fees by means of a supplementary amount added to the regular operating payment received by nursing homes participating in the program. To date, 17 renovation and upgrading projects have been approved under this program at a total estimated cost of $38,751,000 – of which $25,353,000 would be the provincial share.

FINANCIAL INFORMATION

PAGE

AMOUNTS RELATING TO THE DEPARTMENT OF HOSPITALS AND MEDICAL CARE INCLUDED IN:

GENERAL REVENUE FUND

Statement of Expenditure By Program and Sub Program 27
Statement of Revenue 28

CAPITAL FUND

Funding of Capital Construction through Alberta Capital Fund 29
Statement of Expenditure by Program and Sub-Program 30
Program, Authority, Objective and Delivery Mechanism 31

ALBERTA HERITAGE SAVINGS TRUST FUND

Project Description 32
Statement of Amounts Expended 32

HEALTH CARE INSURANCE FUND FINANCIAL STATEMENTS

Auditor's Report 35
Balance Sheet 37
Statement of Revenue, Expenditure and Contributions 38
Statement of Changes in Financial Position 39
Notes to the Financial Statements 40

AMOUNTS RELATING TO THE DEPARTMENT OF HOSPITALS AND MEDICAL CARE INCLUDED IN GENERAL REVENUE FUND
STATEMENT OF EXPENDITURE BY PROGRAM AND SUB-PROGRAM
for the year ended March 31, 1988

Program Sub-Program	Funds Provided				Expended	Unexpended (Over Expended)
	Estimates	Special Warrants	Transfers	Total Authorized		
Departmental Support Services	$ 18,447,766	$ —	$ —	$ 18,447,766	$ 17,684,502	$ 763,264
Health Care Insurance						
Administrative Support	24,803,334	—	—	24,803,334	23,526,641	1,276,693
Provincial Contribution to the Health Care Insurance Fund	477,868,000	—	—	477,868,000	451,229,714	26,638,286
	502,671,334	—	—	502,671,334	474,756,355	27,914,979
Financial Assistance for Active Care						
Program Support	76,864,288	—	156,000	77,020,288	76,543,600	476,688
Major Urban Medical and Referral Centres	721,315,575	—	1,586,875	722,902,450	722,798,491	103,959
Other Referral Centres	147,487,431	—	100,000	147,587,431	147,564,360	23,071
Specialized Active Care	132,583,393	—	413,125	132,996,518	132,908,149	88,369
Community-Based Hospital Facilities	164,207,815	—	(4,324,500)	159,883,315	158,397,840	1,485,475
Rural Community-Based Hospital Facilities	113,322,699	—	2,224,500	115,547,199	115,003,034	544,165
Capital Support	50,404,138	—	(156,000)	50,248,138	47,181,764	3,066,374
	1,406,185,339	—	—	1,406,185,339	1,400,397,238	5,788,101
Financial Assistance for Long-Term Care						
Program Support	9,712,124	—	—	9,712,124	6,398,272	3,313,852
Auxiliary Hospitals	236,205,069	—	—	236,205,069	235,715,213	489,856
District Nursing Homes	47,696,153	—	241,219	47,937,372	40,818,700	7,118,672
Private Nursing Homes	61,388,813	—	(172,400)	61,216,413	53,292,197	7,924,216
Voluntary Nursing Homes	24,558,045	—	(68,819)	24,489,226	21,911,369	2,577,857
Capital Support	2,112,845	—	—	2,112,845	2,081,975	30,870
	381,673,049	—	—	381,673,049	360,217,726	21,455,323
TOTAL 1988	$2,308,977,488	$ —	$ —	$2,308,977,488	$2,253,055,821	$ 55,921,667

AMOUNTS RELATING TO
THE DEPARTMENT OF HOSPITALS AND MEDICAL CARE
INCLUDED IN THE GENERAL REVENUE FUND
STATEMENT OF REVENUE
for the year ended March 31, 1988

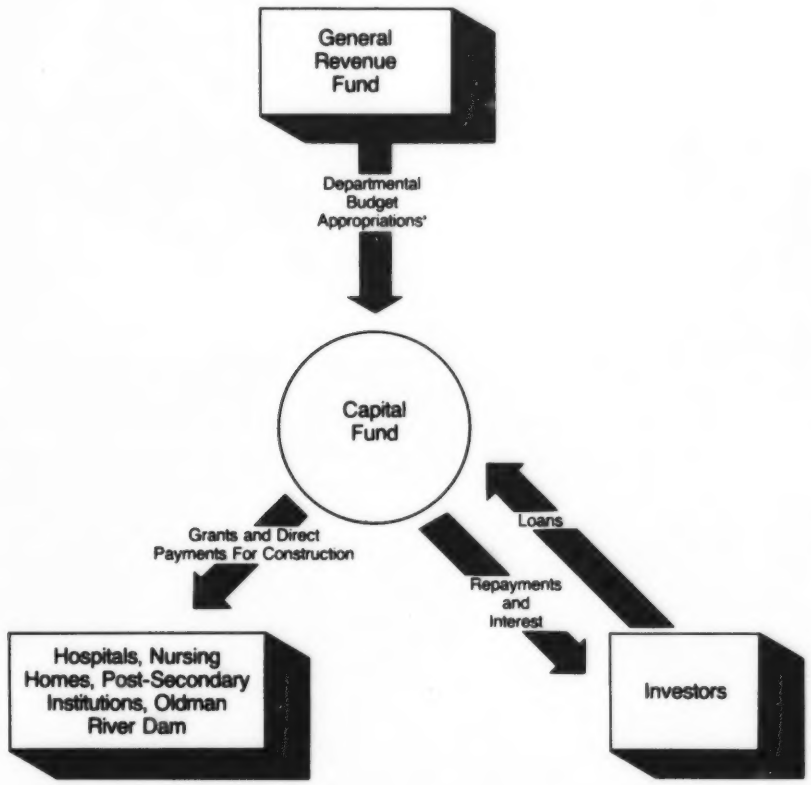
	1988	1987
Payments from Government of Canada:		
Hospital Insurance	$442,379,424	$349,344,496
Recovery of penalties under the Canada Health Act	—	28,782,000
Other	1,368,923	1,840,686
	443,748,347	379,967,182
Other Revenue:		
Refunds of expenditure:		
Third party liability	5,051,917	4,183,645
Previous years' refunds	4,001,037	8,519,868
Miscellaneous:		
Workers' Compensation Board Administration fees	187,500	180,000
Other	94,444	72,206
	9,334,898	12,955,719
Total Revenue	$453,083,245	$392,922,901

FUNDING OF CAPITAL CONSTRUCTION THROUGH ALBERTA CAPITAL FUND

The Capital Fund was established in 1986/87 to enable the province to borrow for the construction of major public facilities and pay for the costs of providing the new facilities over a period of years commensurate with the useful life of the assets. The Fund borrows the sums necessary to finance construction projects and is reimbursed through debt repayment grants appropriated from the General Revenue Fund. The accompanying chart shows the flow of funds through the Capital Fund.

Bill 30 of the Legislative Assembly of Alberta established the Capital Fund by an amendment to the Financial Administration Act. Expenditures from the Capital Fund are approved by way of a Capital Fund Appropriation Act 1987 which allows a normal budget review by the Legislative Assembly. Legislation also allows Special Warrants on the Capital Fund.

How the Capital Fund Works



*Equal to:
- payments from program departments to fund projects over their useful lives, plus
- a statutory appropriation from Treasury to pay interest and other costs of debt.

AMOUNTS RELATING TO THE DEPARTMENT OF HOSPITALS AND MEDICAL CARE INCLUDED IN THE CAPITAL FUND
STATEMENT OF EXPENDITURE BY PROGRAM AND SUB-PROGRAM
for the year ended March 31, 1988

Program Sub-Program	Funds Provided			Expended	Unexpended (Over Expended)
	Estimates	Transfers	Total Authorized		
Construction of Hospitals and Nursing Homes					
Minor Construction	$ 19,260,000	$ —	$ 19,260,000	$ 13,305,883	$ 5,954,117
Major Urban Medical and Referral Centres	87,745,000	—	87,745,000	65,009,245	22,735,755
Other Referral Centres	53,384,000	—	53,384,000	23,590,000	29,794,000
Specialized Active Care	5,120,000	—	5,120,000	2,947,827	2,172,173
Community-Based Hospital Facilities (over 40 beds)	32,557,000	—	32,557,000	22,406,137	10,150,863
Rural Community-Based Hospital Facilities (40 beds and under)	19,448,000	—	19,448,000	7,158,249	12,289,751
Auxiliary Hospitals	16,708,000	—	16,708,000	14,614,886	2,093,114
Nursing Homes	1,046,000	—	1,046,000	403,786	642,214
	$235,268,000	$ —	$235,268,000	$149,436,013	$ 85,831,987

PROGRAM, AUTHORITY, OBJECTIVE AND DELIVERY MECHANISMS

Construction of Hospitals and Nursing Homes

Authority for Establishment of Program:

Hospitals Act
Mental Health Act
Nursing Homes Act
Department of Hospitals and Medical Care Act

Objective of Program:

To provide financial support for the planning, construction and furnishings of hospital and nursing home capital construction projects.

Program Delivery Mechanism:

The Capital Fund provides capital grants to hospitals and nursing home boards for capital construction projects and also provides capital support for direct hospital construction from funds borrowed for these purposes. Capital Fund debt is retired through debt repayment grants from supply votes of the General Revenue Fund.

AMOUNTS RELATING TO THE DEPARTMENT OF HOSPITALS AND MEDICAL CARE INCLUDED IN THE ALBERTA HERITAGE SAVINGS TRUST FUND
For the year ended March 31, 1988

PROJECT DESCRIPTIONS

Applied Cancer Research

Through its support to both clinical and pure research, this grant program is helping to make Alberta a centre of excellence in cancer research. The projects funded through the program provides benefits which extended beyond the laboratory and clinical trial to bedside patient care. International recognition has been received on a study of the genetic basis of susceptibility to cancer. Studies of the advanced diagnostic, chemotherapy and radiotherapy technologies such as magnetic resonance imaging were among 22 projects funded in 1987-88.

1987/88 Expenditures	$ 2,046,814

Walter C. Mackenzie Health Sciences Centre

Located at the University of Alberta in Edmonton to service northern Alberta and the Northwest Territories, this ultra modern health sciences centre integrates health care, teaching and research. Within the 167,000 square metre (1.8 million square feet) complex are 843 acute care beds, 14 operating theatres and seven intensive care units. The facility is able to support such leading edge programs as heart/lung transplants. For outpatients requiring "same day" surgery or treatments, the Centre provides a 40-bed day ward, four operating rooms and an eight-bed recovery room. Over 5,000 professional, technical and research staff are employed at the Centre. While offering state-of-the-art technology and services, the Centre, through its unique architectural design, also provides an environment conducive to the emotional well-being of patients, visitors and staff.

1987/88 Expenditures	$ 1,675,831
Total Funded from AHSTF 1987/88	$ 3,722,645

AMOUNTS RELATING TO THE DEPARTMENT OF HOSPITALS AND MEDICAL CARE INCLUDED IN THE ALBERTA HERITAGE SAVINGS TRUST FUND

STATEMENT OF AMOUNTS EXPENDED
for the year ended March 31, 1988

Project	Amounts Authorized	Amounts Expended	Unexpended (Over Expended)
Applied Cancer Research	$ 2,800,000	$ 2,046,814	$ 753,186
Walter C. Mackenzie Health Sciences Centre	10,000,000	1,675,831	8,324,169
	$ 12,800,000	$ 3,722,645	$ 9,077,355

HEALTH CARE INSURANCE FUND
FINANCIAL STATEMENTS
MARCH 31, 1988

Auditor's Report
Balance Sheet
Statement of Revenue, Expenditure and Contributions
Statement of Changes in Financial Position
Notes to the Financial Statements

AUDITOR'S REPORT

To the Minister of Hospitals and
Medical Care

I have examined the balance sheet of the Health Care Insurance Fund as at March 31, 1988 and the statements of revenue, expenditure and contributions and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donald D. Salmon

C.A.
Auditor General

Edmonton, Alberta
August 12, 1988

HEALTH CARE INSURANCE FUND
BALANCE SHEET
AS AT MARCH 31, 1988
(thousands of dollars)

	1988	1987
ASSETS		
Current:		
Cash	$ 95,075	$ 85,591
Accounts receivable (Note 3)	29,763	26,668
	$124,838	$112,259
LIABILITIES		
Current:		
Bank indebtedness	$ —	$ 4,665
Accounts payable	3,459	3,928
Overpayment of Government of Canada contributions	—	5,714
Unexpended contributions due to the Province of Alberta	26,639	12,409
Premiums received in advance	2,199	1,792
Claim benefits payable (Note 4)	92,541	83,751
	$124,838	$112,259

The accompanying notes are part of these financial statements.

HEALTH CARE INSURANCE FUND
STATEMENT OF REVENUE, EXPENDITURE AND CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 1988

(thousands of dollars)

	1988	1987
Revenue:		
Premiums earned, net	$246,357	$208,655
Interest	4,918	4,574
	251,275	213,229
Expenditure:		
Basic health services:		
Medical	619,172	604,497
Chiropractic	20,769	23,592
Physical therapy	16,618	18,337
Oral surgery	13,131	17,855
Optometric	7,027	10,154
Podiatric	2,973	3,126
	679,690	677,561
Optional health services, Alberta Blue Cross Plan	109,081	101,009
Extended health benefits	35,449	33,539
Out of province hospital costs	26,105	19,133
Continuing medical education fund contributions	1,726	1,679
Location incentives	1,413	1,294
Disability fund contributions	1,253	609
	854,717	834,824
Excess of expenditure over revenue for the year	$603,442	$621,595
Contributions:		
Government of Canada (Note 2)	$152,213	$115,050
Province of Alberta	451,229	506,545
	$603,442	$621,595

HEALTH CARE INSURANCE FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 1988
(thousands of dollars)

	1988	1987
Operations:		
Cash provided from:		
Increase in claim benefits payable	$ 8,790	$ 1,639
Increase (decrease) in premiums received in advance	407	(623)
	9,197	1,016
Cash applied to:		
Excess of expenditure over revenue	603,442	621,595
Increase in premiums receivable and other receivables	2,508	1,502
Decrease (increase) in accounts payable	469	(829)
	606,419	622,268
Cash applied to operations	(597,222)	(621,252)
Contributions:		
Cash provided by:		
Government of Canada	146,499	120,764
Province of Alberta	477,868	518,954
Province of Alberta payment for prior year's receivable	—	8,496
	624,367	648,214
Cash applied to:		
Reimbursement to Province of Alberta of prior year's unexpended contributions	12,409	—
Cash provided by contributions	611,958	648,214
Transactions under administration agreements:		
Cash received for:		
Hospital costs, reciprocal agreements	36,977	38,733
Workers' Compensation Board	11,403	12,814
Department of Community and Occupational Health sessional payments	6,012	5,251
	54,392	56,798
Cash expended for:		
Hospital costs, reciprocal agreements	36,247	43,053
Workers' Compensation Board	12,827	11,955
Department of Community and Occupational Health sessional payments	5,580	5,797
Medical costs, reciprocal agreements	325	—
	54,979	60,805
Cash applied to transactions under administration agreements	(587)	(4,007)
Increase in cash	14,149	22,955
Cash at beginning of year, net	80,926	57,971
Cash at end of year, net	$ 95,075	$ 80,926

HEALTH CARE INSURANCE FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1988

Note 1 Authority

The Health Care Insurance Fund operates under the authority of the Alberta Health Care Insurance Act, Chapter A-24, Revised Statutes of Alberta 1980, as amended.

Note 2 Significant Accounting Policies and Reporting Practices

Government of Canada contributions are received by the Provincial Treasurer pursuant to provisions of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977 (Canada), as amended. Amounts deemed by the Provincial Treasurer to be contributions with respect to health care are then paid into the Health Care Insurance Fund. In previous years these payments were classified as revenue. In these financial statements, these payments are classified as contributions, which together with contributions from the General Revenue Fund of the Province of Alberta, provide for the excess of expenditure over revenue.

Note 3 Accounts Receivable

Accounts receivable consist of the following:

	1988	1987
	(thousands of dollars)	
Operating:		
Premiums, less allowance for uncollectible accounts and adjustments	$19,026	$16,500
Other	208	226
	19,234	16,726
Receivables under administration agreements:		
Hospital costs, reciprocal agreements	5,848	6,578
Workers' Compensation Board payments	2,450	1,026
Department of Community and Occupational Health sessional payments	1,906	2,338
Medical costs, reciprocal agreements	325	—
	10,529	9,942
	$29,763	$26,668

Note 4 Claim Benefits Payable

Claim benefits payable consist of the following:

	1988	1987
	(thousands of dollars)	
Basic health services	$68,327	$61,454
Optional health services, Alberta Blue Cross Plan	12,824	13,093
Out of province hospital costs	7,856	5,494
Extended health benefits	3,534	3,710
	$92,541	$83,751

Claim benefits payable consist of known liabilities payable at the year end and estimated additional liabilities for services provided prior to April 1 based on historical information about the relationships between service and payment dates.

Note 5 Administration Expenses

Costs incurred in the administration of the Fund have been borne by the General Revenue Fund and are not reflected in these financial statements.

Note 6 Comparative Figures

The 1987 figures have been reclassified where necessary to conform to 1988 presentation.

Note 7 Approval of Financial Statements

These financial statements were approved by management.